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December 17, 2018

VIA ELECTRONIC FILING

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

RE: Application of Carolina Water Service, Inc. to establish a Hydrant Meter Program
Docket No. 2018- 360-W

Dear Ms. Boyd,

As the record will reflect, I represent Carolina Water Service, Inc. ("CWS") in connection with its Application to establish a Hydrant Meter Program. In Order No. 2018-800, the Public Service Commission ("Commission") deferred action on the Application and required CWS to provide additional information regarding the benefits of a metered hydrant in deterring theft and non-revenue water use.

Currently, developers and contractors will connect to a CWS hydrant and take water for their own purposes without paying for it (this is an industry-wide problem). In response, many of the larger municipal systems have promulgated Hydrant Meter Programs such as that proposed by CWS. As recently as December 7, 2018, CWS employees caught a commercial tanker taking water from a CWS hydrant (See the photo attached hereto as Exhibit 1).

Not only is water theft an issue, but a developer or contractor when taking water from a meter does not always competently connect to the hydrant resulting in additional water loss. Where water is stolen without the benefit of a meter, the risk of back flow contamination increases. Contributing to the cost of the meter, the CWS hydrant meter assemblies include backflow devices to protect against contamination.

There is no tariff rate to which a scrupulous developer or contractor can subscribe to purchase water from CWS until a metered water connection can be established. The proposed Hydrant Meter Program will provide developers and contractors a lawful means by which to connect to a hydrant and purchase water while safeguarding the water supply against contamination. The tariff charge will ensure that the developer or contractor as the responsible party pays for the

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water usage and is not subsidized by CWS' customers. While the Hydrant Meter Program will not ensure against all water theft, the existence of the approved program will give the public the requisite notice of the hydrant meter requirement, providing CWS with the necessary legal authority to prosecute criminal charges against the offender. Prosecutions for water theft (and damage to CWS's water system caused by contamination) will deter further criminal activity. The Office of Regulatory Staff does not object to Application.

Accordingly, CWS respectfully requests that the Commission approve the Application for approval to establish a Hydrant Meter Program and set the matter for consideration at its next agenda meeting. Please let me know if you have questions.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

cc: Jeffrey M. Nelson, Esquire

EXHIBIT 1



CERTIFICATE OF SERVICE

The undersigned employee of Elliott & Elliott, P.A. does hereby certify that she has served below listed parties with a copy of the pleading(s) indicated below by mailing a copy of same to them in the United States mail, by regular mail, with sufficient postage affixed thereto and return address clearly marked on the date indicated below:

RE: Application of Carolina Water Service, Inc. to establish a
Hydrant Meter Program
Docket No. 2018-360-W

PARTIES SERVED: Jeffrey M. Nelson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

PLEADINGS: Letter

December 17, 2018



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